

MEETING NO. 4218
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD WEDNESDAY, SEPTEMBER 19, 2018

10:00 A.M.

LABOR RELATIONS CONFERENCE ROOM
COLEMAN A. YOUNG MUNICIPAL CENTER, 2 WOODWARD AVENUE; SUITE 310
DETROIT, MICHIGAN 48226

TRUSTEES PRESENT

Scott Benson	Ex-Officio Trustee/City Council Member
Lori Cetlinski	Trustee/ Vice- Chairperson
Tasha L. Cowan	Trustee
Kimberly Hall-Wagner	Trustee
Christa Mclellan	Ex-Officio Trustee/City Treasurer
John Naglick	Ex-Officio Trustee/Finance Director
June Nickleberry	Trustee/Chairperson
Crystal Perkins	Trustee
Thomas Sheehan	Trustee

TRUSTEES EXCUSED

Wendell Anthony	Trustee
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TRUSTEES ABSENT

None

ALSO PRESENT

Gail A. Oxendine	Assistant Executive Director
Kevin Kenneally	Investment Officer
Michael VanOverbeke	General Counsel
TaKneisha Johnson	Administrative Assistant IV

STAFF EXCUSED

David Cetlinski	Executive Director
Ryan Bigelow	Chief Investment Officer

CHAIRPERSON

June Nickleberry

The Board's Administrative Assistant took a verbal Roll Call at 10:43 a.m. and Chairperson Nickleberry called the meeting to order.

Present at Roll Call: Lori Cetlinski, Tasha L. Cowan, Kimberly Hall Wagner, Christa Mclellan, John Naglick, Crystal Perkins, Thomas Sheehan and Chairperson Nickleberry

Open Forum

Chairperson Nickleberry opened the meeting for public discussion:

Angelia Dukes-Robinson addressed the Board regarding the following:

- Option Beneficiary questions of her former husband and deceased member Cornell Robinson.

Retiree William Sparks addressed the Board regarding the following:

- Early retirement provisions

Re: Hybrid Plan Service Retirement(s)

Motion By: Trustee Sheehan - Supported By: Trustee Hall-Wagner

RESOLVED, that the application(s) for retirement from the **COMPONENT I (HYBRID) PLAN** as outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT

Keith W. Anderson – General Auto
Mechanic – General Services

SERVICE CREDIT

04-01

EFFECTIVE DATE

09-07-18

NAME, TITLE, DEPARTMENT

James Forster – Maint Techn – Water & Sewerage

SERVICE CREDIT

04-02

EFFECTIVE DATE

09-15-18

Yeas: Cetlinski, Cowan, Hall-Wagner, Mclellan, Naglick, Perkins, Sheehan and Chairperson Nickleberry– 8

Nays: None

Re: Legacy Plan Service Retirement(s)

Motion By: Trustee Sheehan - Supported By: Trustee Hall-Wagner

RESOLVED, that the application(s) for retirement from the **COMPONENT II (LEGACY) PLAN** as outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Keith W. Anderson – General Auto Mechanic – General Services
SERVICE CREDIT	06-08
EFFECTIVE DATE	09-07-18
NAME, TITLE, DEPARTMENT	James Forster – Maint Techn – Water & Sewerage
SERVICE CREDIT	11-10
EFFECTIVE DATE	09-15-18
NAME, TITLE, DEPARTMENT	John Sablowski – Asst EMS Spvr-Grade II – Fire (EMS)
SERVICE CREDIT	20-11
EFFECTIVE DATE	09-26-18
NAME, TITLE, DEPARTMENT	Bernadette Walker – Vehicle Operator I - DPW
SERVICE CREDIT	07-07
EFFECTIVE DATE	08-18-18

Yea: Cetlinski, Cowan, Hall-Wagner, McLellan, Naglick, Perkins, Sheehan and Chairperson Nickleberry – 8

Nay: None

Re: AUTO-II Spouse

Motion By: Trustee Sheehan - Supported By: Trustee Hall-Wagner

RESOLVED, that the application(s) for **AUTO-II Spouse Benefits** as outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Karen Ware (Verben Ware – Deceased) – Building Attendant A – Water & Sewerage
SERVICE CREDIT	17-09
EFFECTIVE DATE	06-07-18

Yea: Cetlinski, Cowan, Hall-Wagner, McLellan, Naglick, Perkins, Sheehan
and Chairperson Nickleberry– 8

Nays: None

Re: Early Retirement(s)

Motion By: Trustee Sheehan - Supported By: Trustee Hall-Wagner

RESOLVED, that the application(s) for **EARLY RETIREMENT** as outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Abdul Abdulqadir – Field Svcs Techn – Water & Sewerage
SERVICE CREDIT	24-06
EFFECTIVE DATE	08-24-18

Yea: Cetlinski, Cowan, Hall-Wagner, McLellan, Naglick, Perkins, Sheehan
and Chairperson Nickleberry– 8

Nays: None

Re: Legacy Plan Vested Retirement(s)

Motion By: Trustee Sheehan - Supported By: Trustee Hall-Wagner

RESOLVED, that the application(s) for **VESTED RETIREMENT** as outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Kathy Bowen – Senior Clerk – Building & Safety
SERVICE CREDIT	16-01
EFFECTIVE DATE	09-01-18
NAME, TITLE, DEPARTMENT	Rosalind D. Williams-Chaney – Office Mgmt. Asst. – Planning & Development
SERVICE CREDIT	21-02
EFFECTIVE DATE	09-01-18
NAME, TITLE, DEPARTMENT	Elmer Drummond – Sr. Power Plant Oper – Public Lighting
SERVICE CREDIT	15-09
EFFECTIVE DATE	09-01-18
NAME, TITLE, DEPARTMENT	Michael Jenkins – TEO - Transportation
SERVICE CREDIT	23-06
EFFECTIVE DATE	09-01-18
NAME, TITLE, DEPARTMENT	Joyce Ann Johnson – Emer Med Tech (Basic) – Fire (Civilian)
SERVICE CREDIT	10-05
EFFECTIVE DATE	09-01-18
NAME, TITLE, DEPARTMENT	Sandra L. Latham – Comm Nutrition Asst - Health
SERVICE CREDIT	23-09
EFFECTIVE DATE	09-01-18
NAME, TITLE, DEPARTMENT	Barbara J. Peebles-Mikiel – Planning & Devel Admn - Planning
SERVICE CREDIT	10-06
EFFECTIVE DATE	09-01-18

Re: Legacy Plan Vested Retirement(s)- Continued

NAME, TITLE, DEPARTMENT	Edward S. Pierce – RCPO – DPW
SERVICE CREDIT	13-10
EFFECTIVE DATE	08-01-18
NAME, TITLE, DEPARTMENT	Delbert Williams – Maintenance Techn –
	Water & Sewerage
SERVICE CREDIT	18-02
EFFECTIVE DATE	09-01-18

Yea: Cetlinski, Cowan, Hall-Wagner, McLellan, Naglick, Perkins, Sheehan
and Chairperson Nickleberry– 8

Nay: None

Re: Change of Computation(s)

Motion By: Trustee Sheehan – Supported By: Trustee Hall-Wagner

RESOLVED, that the application(s) for **CHANGE OF COMPUTATION** as outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Denise Beuford – Principal Clerk Exem –
SERVICE CREDIT	Human Resources
EFFECTIVE DATE	15-00
EFFECTIVE DATE	08-28-18
NAME, TITLE, DEPARTMENT	Anthony Brazil – Storekeeper - DPW
SERVICE CREDIT	23-07
EFFECTIVE DATE	02-01-18
NAME, TITLE, DEPARTMENT	Denise Glenn – Asst. Storekeeper – Public
SERVICE CREDIT	Lighting
EFFECTIVE DATE	26-11
EFFECTIVE DATE	12-26-17
NAME, TITLE, DEPARTMENT	Geneva Jackson – Income Tax Investigator
SERVICE CREDIT	- Finance
EFFECTIVE DATE	21-07
EFFECTIVE DATE	08-29-18

Yea: Cetlinski, Cowan, Hall-Wagner, McLellan, Naglick, Perkins, Sheehan
and Chairperson Nickleberry– 8

Nay: None

RECEIPTS: The Board received the following receipts for Acknowledgment:

Cash Receipts

RSCD-General Start Date: 9/1/2018
End Date: 9/17/2018

HYBILIRES

Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
9/7/2018	CA	Cash Entry	001187	Employee Mandatory Pension Contributions 9/7/18	R/C	109,926.47
9/7/2018	CA	Cash Entry	001188	Employee Annuity After Tax Contributions 9/7/18	R/C	82,752.23
9/14/2018	CA	Cash Entry		Employee Mandatory Pension Contributions 9/14/18	R/C	262,764.37
9/14/2018	CA	Cash Entry		Employee Annuity After Tax Contributions 9/14/18	R/C	158,939.54
						<u>614,382.61</u>

Cash Receipts

RSCD-General Start Date: 9/1/2018
End Date: 9/17/2018

LIQ RESERV

Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
9/6/2018	CA	Cash Entry	001186	Loan Deduction Program 8/31/18 (\$33,224.34)	R/C	33,224.34
9/14/2018	CA	Cash Entry		Loan Deduction Program 9/7/18 (\$33,224.34)	R/C	42,342.32
						<u>75,566.66</u>

Total Receipts

689,949.27

GENERAL RETIREMENT SYSTEM
CITY OF DETROIT
Re: Fees and Expenses

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SEPTEMBER 19, 2018

Resolution Moved By: Trustee Sheehan- Supported By: Trustee Cowan

WHEREAS, the Board has been presented with the List of Disbursements for Board Approval which is referenced below requesting payment for Fees and Expenses, and

WHEREAS, the Board has been requested to approve payment of said Fees and Expenses; **THEREFORE BE IT**

RESOLVED, that subject to staff audit and approval of all Legal Fees by the Board's General Counsel, the Board **APPROVE** payment of the following Fees and Expenses:

Page: 1 of 3
Date: 9/17/2018 8:18 AM

Disbursements

Account	Payment Method	Currency	
F ACCT PAY	ACH	US	
Vendor Name			
500 WEBWARD LLC	62508	September 2018 Rent	24,998.49
ABERDEEN ASSET MANAGEMENT INC.	84346	Management Fees - 2nd Qtr '18	44,644.65
ABERDEEN ASSET MANAGEMENT INC.	84404	Management Fees - 2nd Qtr '18	147,410.28
Banyan Realty Advisors, LLC	2Q18	Advisory Fees - 2nd Qtr '18	17,619.37
BlackRock Financial Management, Inc	180331-4690-A	Management Fees - 1st Qtr '18	30,391.10
BlackRock Financial Management, Inc	180630-4690-A	Management Fees - 2nd Qtr '18	45,399.73
CLARK HILL, PLC	803177	Chapter 9 Compliance & Implementation for July 2018	460.27
CLARK HILL, PLC	803178	Donald V. Watkins, et al. Litigation for July 2018	199.75
CLARK HILL, PLC	803179	Onyx Capital Litigation for July 2018	698.22
Cogent Communications, Inc.	090118	Internet Service	1,023.00
CRESTWOOD ASSOCIATES L.L.C.	INV036512	Acumatica Training & Implementation	100.00
EDGEWOOD MANAGEMENT LLC	3991005	Management Fees - 2nd Qtr '18	98,739.69
MACKAY SHIELDS LLC	24439	Management Fees - 2nd Qtr '18	32,949.83
PZENA INVESTMENT MANAGEMENT, LLC	182081-1007	Management Fees - 2nd Qtr '18	63,387.80
STOUT RISIUS ROSS, INC	118187	GRS Alternative Assets 2018 Matter #1037966	45,650.00
UHY Advisors MI, Inc.	1264183	Professional Accounting Services for August 2018	40,621.87
UHY Advisors MI, Inc.	1265114	Professional IT Services for August 2018	9,993.75
UHY Advisors MI, Inc.	1265125	Professional IT Services for August 2018	64,012.50
Cash Account/Payment Method Total:			18 Documents
			668,300.30
F ACCT PAY	CHECK	US	
Vendor Name			
CHRYSTALIS CONSULTING, LLC	22989	Consulting Services 8/1/18-8/31/18	3,963.75
CREATIVE BREAKTHROUGHS INC	INV0472	Software Maintenance	10,775.00
CREATIVE BREAKTHROUGHS INC	INV0473	Software Maintenance	1,600.00
DEROY & DEVEREAUX	2Q18	Management Fees - 2nd Qtr '18	26,099.00
DIRECTV	34924182557	Service Charges 8/23/18-9/22/18	37.62
F. LOGAN DAVIDSON, P.C.	180823.1	GRS River Place Corp Reimburse Out-of-Pocket Exp	320.00

GENERAL RETIREMENT SYSTEM
CITY OF DETROIT

MEETING NO. 4218
SEPTEMBER 19, 2018

Re: Fees and Expenses- Continued

FACT PAY	CHECK	US	
Vendor Name	Invoice Numbr	Invoice Description	Amount To Pay
F. LOGAN DAVIDSON, P.C.	180823.13	GRS RP General Corp Reimburse Out-of-Pocket Exp	1,375.00
F. LOGAN DAVIDSON, P.C.	180823.2	General Corporate Services for 2017-18	756.00
First CHOICE Coffee Services	570348	Equipment Rental	30.00
First CHOICE Coffee Services	572345	Coffee Supplies	175.97
GABRIEL, ROEDER, SMITH & CO	440775	EDRO Calculations for William Connor	1,200.00
GABRIEL, ROEDER, SMITH & CO	440962	EDRO Calculations for David Lerche	1,200.00
GABRIEL, ROEDER, SMITH & CO	440963	EDRO Calculations for Otis Patterson	1,200.00
GABRIEL, ROEDER, SMITH & CO	440964	EDRO Calculations for Eric Miller	1,200.00
GABRIEL, ROEDER, SMITH & CO	441123	Actuarial Services for July/August 2018 & GASB 68 Report	40,400.00
IRON MOUNTAIN	153777	Data Domain Service	2,732.30
IRON MOUNTAIN	201696086	Storage CDs	761.44
Iron Mountain Records Management	AFAG795	Records Storage	1,873.13
MONDRIAN INVESTMENT PARTNERS	228261	Management Fees - 2nd Qtr '18	126,046.48
OFFICE DEPOT	181643244001	Office Supplies	17.49
OFFICE DEPOT	195198838001	Office Supplies	37.27
OFFICE DEPOT	195198839001	Office Supplies	20.99
OFFICE DEPOT	195198840001	Office Supplies	9.42
PROVIDENCE OCCUPATIONAL HEALTH	325644	Disability Re-Exam Fee	225.00
QUILL CORPORATION	9220873	Office Supplies	202.73
QUILL CORPORATION	9297347	Office Supplies	19.99
QUILL CORPORATION	9640694	Office Supplies	126.00
SHRED-IT USA	8125414883	Shredding Service Charges	49.72
THOMAS SHEEHAN	091218	Trustee Stipend	866.67
TRUSCOTT ROSSMAN GROUP LLC	INV-2958	PR Planning/Kick-Off Meeting w/ Gail Oxendine	360.00
VANOVERBEKE MICHAUD & TIMMONY, P.C.	0715	General Counsel Matters for July 2015	22,550.00
VANOVERBEKE MICHAUD & TIMMONY, P.C.	0815	General Counsel Matters for August 2015	22,550.00
VANOVERBEKE MICHAUD & TIMMONY, P.C.	082818	General Counsel Matters for July 2018	24,897.00
VANOVERBEKE MICHAUD & TIMMONY, P.C.	0915	General Counsel Matters for September 2015	22,560.00
VANOVERBEKE MICHAUD & TIMMONY, P.C.	1015	General Counsel Matters for October 2015	22,711.64
VANOVERBEKE MICHAUD & TIMMONY, P.C.	1115	General Counsel Matters for November 2015	22,538.00
VANOVERBEKE MICHAUD & TIMMONY, P.C.	1215	General Counsel Matters for December 2015	22,578.00
VERIZON WIRELESS	9813525513	Wireless Charges 7/26/18-8/25/18	362.24
WELLS FARGO VENDOR FINANCIAL SVCS, LLC	101015482	Printer Maintenance	122.65
WENDELL ANTHONY	091218	Trustee Stipend	866.67

FACT PAY	CHECK	US	
Vendor Name	Invoice Numbr	Invoice Description	Amount To Pay
XEROX	094329174	Printer Maintenance	31.88
		Cash Account/Payment Method Total: 41 Documents	385,449.05

* Payment amount is estimated based on the effective date 9/17/2018

Yea: Cetlinski, Cowan, Hall-Wagner, Mclellan, Naglick, Perkins, Sheehan and Chairperson Nickleberry- 8

Nays: None

Re: Refunds of Accumulated Contributions

Resolution Moved By: Trustee Sheehan- Supported By: Trustee Cowan

RESOLVED, that the contributions to the Annuity Savings Fund by members of the General Retirement System, as set forth:

List No. 7378 - \$295,490.04

List No. 7379 - \$501051.36

Including interest, be **REFUNDED**, pending audit by the Retirement Systems' Accounting Staff.

Yea: Cetlinski, Cowan, Hall-Wagner, Mclellan, Naglick, Perkins, Sheehan and Chairperson Nickleberry- 8

Nay: None

Re: Employee Loan Program September 12, 2018

Resolution Moved By: Trustee Sheehan- Supported By: Trustee Cowan

RESOLVED, that the disbursements for the Employee Loan Program by members of the General Retirement System, as set forth in the amount of: **\$6,638.00** including interest, be hereby **APPROVED**.

Yea: Cetlinski, Cowan, Hall-Wagner, Mclellan, Naglick, Perkins, Sheehan and Chairperson Nickleberry- 8

Nay: None

Re: Employee Loan Program September 19, 2018

Resolution Moved By: Trustee Sheehan- Supported By: Trustee Cowan

RESOLVED, that the disbursements for the Employee Loan Program by members of the General Retirement System, as set forth in the amount of: **\$44,908.00** including interest, be hereby **APPROVED**.

Yea: Cetlinski, Cowan, Hall-Wagner, Mclellan, Naglick, Perkins, Sheehan and Chairperson Nickleberry- 8

Nay: None

Re: Minutes/Journal No. 4216 – (08/15/18)

Motion By: Trustee Cetlinski - Supported By: Trustee Perkins

RESOLVED, that the Minutes/Journal of Proceedings of the General Retirement System of the City of Detroit, of Meeting **No. 4216**, held on **August 15, 2018**, be hereby **APPROVED** as recorded and submitted.

Yea: Cetlinski, Cowan, Hall-Wagner, Mclellan, Naglick, Perkins, Sheehan
and Chairperson Nickleberry– 8

Nay: None

INVESTMENT OFFICER'S REPORT

Investment Officer **Kevin Kenneally** had no formal report, but addressed the following matters with the Board:

- Investment Committee meeting re-cap: **Monday September 10th, 2018**
- Current Black and Blue dated June 30, 2018

➤ ***Trustee Scott Benson entered the Boardroom at 11:03 a.m.***

PRESENTATION:

New England Pension Consultants

Representatives Kristin Finney-Cooke, CAIA, Senior Consultant, Kevin Leonard, Partner and Kim Kaczor, Senior Analyst discussed the following with the Board:

- Asset Allocation Discussion
- Private Equity Pacing Plan
- GAM Update
- Aberdeen EME Equity Review
- Aberdeen EME Small Cap Equity Review
- Large Cap Growth Update
- 2Q18 Investment Performance Analysis
- 1Q18 Private Equity Report

Presentation materials were provided

ASSISTANT EXECUTIVE DIRECTOR'S REPORT

Assistant Executive Director, **Gail A. Oxendine**, had no formal report, but addressed the following with the Board of Trustees:

- Medical Review Committee report recommendation
 - Gail Shaffer
- Gabriel Roeder Smith and Company Actuarial and Consulting Service Fees for the period 7/01/2018 through 06/30/2019

Re: Annual Re-examinations

Motion By: Trustee Cowan – Supported By: Trustee Sheehan

RESOLVED, that in accordance with the recommendation of the Medical Director, the following be CONTINUED on the Disability/Non-Duty Disability Retirement Payroll with a re-examination in one year:

Gail Shaffer

Yea: Benson, Cetlinski, Cowan, Hall-Wagner, Mclellan, Naglick, Perkins, Sheehan and Chairperson Nickleberry – 9

Nays: None

Re: Acceptance of GRS Actuarial and Consulting Service Fees for the period of 07/01/2018 through 06/30/2019

Motion By: Trustee Sheehan - Supported By: Trustee Naglick

Motion to authorize payment of the Actuarial and Consulting service fee schedule for the period of 07/01/2018 through 06/30/2019 as submitted by the Board's actuary, Gabriel Roeder Smith and Company. The Motion passed by a unanimous vote.

GENERAL COUNSEL'S REPORT

General Counsel Michael VanOverbeke, in addition to his legal report, discussed the following matters with the Board:

- **Rules of Procedure**
 - General Counsel has made additional revisions to this policy which incorporates a number of discussed items. Copies were distributed to the Board at the meeting for review and comment with the adoption of the policy anticipated at the next scheduled Board meeting.

NEW BUSINESS/OLD BUSINESS

- The Board will reschedule the Board's October 17th, 2018 Board meeting and move it to October 24th, 2018
 - Chairperson of the Governing Board of the Employees Benefit Plan, Lori Cetlinski, moved the 10/17/2018 meeting in alignment with the General City Board meeting.

Re: Rescheduling of General City Board Meeting # 4220 October 17th, 2018

Motion By: Trustee Naglick - Supported By: Trustee Mclellan

RESOLVED, that the Board's October 17th, 2018 Board meeting #4220 will be moved to Wednesday October 24th, 2018 and posted accordingly. The Motion passed by a unanimous vote.

- *Employee Benefit Plan Board Chairperson Lori Cetlinski moved the Governing Board's October 17th, 2018 meeting to Wednesday October 24th, 2018.*

Re: Entering into Closed Session

Resolution Moved By: Trustee Benson – Supported By: Trustee Cowan

WHEREAS, the Retirement System is subject to the limitation of the Open Meetings Act (“OMA”) being MCL 15.261 et seq. and has adopted a resolution on October 24, 2012 relative thereto; **THEREFORE BE IT**

RESOLVED, that the Board enter into Closed Session to discuss pending litigation matters with the Board’s legal counsel to discuss a legal opinion.

A Roll Call Vote was taken as follows:

Yea: Benson, Cetlinski, Cowan, Hall-Wagner, Mclellan, Naglick, Perkins, Sheehan and Chairperson Nickleberry– 9

Nay: None

The Board entered into **Closed Session** at 12:06 p.m.

Re: Open Session

Motion By: Trustee Cowan – Supported By: Trustee Sheehan

RESOLVED, that the Board come out of Closed Session.

Yea: Benson, Cetlinski, Cowan, Hall-Wagner, Mclellan, Naglick, Perkins, Sheehan and Chairperson Nickleberry– 9

Nay: None

The Board returned to **Open Session** at 12:19 p.m.

RE: Hubert Draw Jr. Demand Letter

Motion by: Trustee Cowan – Supported by: Trustee Sheehan

WHEREAS, the Board of Trustees (the “Board”) of the General Retirement System of the City of Detroit (the “Retirement System”) is vested with the authority and fiduciary responsibility for the administration, management, and operation of the Retirement System, and

WHEREAS, the Board has fiduciary duties to the members and beneficiaries of the Retirement System and shall discharge these duties solely in their interests for the exclusive purposes of providing benefits and defraying reasonable expenses, and

WHEREAS, on August 16, 2018, attorney Fred Freeman submitted a demand letter (“Demand Letter”) to the Retirement System on behalf of his client, Hubert W. Draw Jr., and

WHEREAS, in the Demand Letter, Mr. Freeman alleges that the Retirement System made an unauthorized distribution of funds from Mr. Draw Jr.’s annuity savings account in 2007 while he was incarcerated in Nevada, and

WHEREAS, at its September 5, 2018, meeting, the Board referred the matter to legal counsel to review and provide a legal opinion on Mr. Freeman’s claims, and

WHEREAS, the Board’s legal counsel provided a legal opinion to the Board at its September 19, 2018, meeting, and

WHEREAS, after reviewing legal counsel’s opinion, relevant Retirement System records, and supporting documentation provided by Mr. Freeman, the Board made the following findings of fact:

1. Hubert Draw Jr. was an employee of the City of Detroit and had accumulated approximately \$145,122.83 in his annuity savings account as of November 13, 2007;
2. By letter dated February 9, 2006, Mr. Draw contacted the Retirement System to inquire about when he was eligible to make withdrawals from his annuity savings fund, what potential tax penalties he could face, how often he could make withdrawals, and other general information about the withdrawal process;
3. On October 17, 2007, Mr. Draw Jr. was sentenced to a maximum of 20 years in the Nevada Department of Prisons;
4. The Retirement System received a letter signed by Mr. Draw Jr., dated November 12, 2007, in which he authorized his wife, Monick Draw, to pick up disbursement from his annuity savings account;

RE: Hubert Draw Jr. Demand Letter- Continued

5. A check, payable to "Draw, Jr. Hubert W", was issued by the Retirement System and dated November 19, 2007, in the amount of \$80,000;
6. Mr. Draw Jr.'s wife, Monick Draw, signed for and retrieved the check on November 20, 2007, and specifically wrote in "Monick Draw For Hubert W. Draw Jr, Letter Attached" next to her signature;
7. Mr. Draw Jr. made another withdrawal from his annuity savings account, with another letter authorizing his wife to retrieve it, in 2010;
8. Mr. Draw Jr. made a final withdrawal of the remaining funds in his annuity savings account in 2011 which was divided and partially sent to him via the Nevada Department of Corrections and partially sent to the Wayne County Friend of Court pursuant to an Income Withholding Order; **THEREFORE BE IT**

RESOLVED, that the Board finds that, when issuing the November 19, 2007, check, payable to Mr. Draw Jr., and allowing his wife to retrieve the check on November 20, 2007, Retirement System staff acted reasonably and used appropriate care by relying on the November 12, 2007, letter from Mr. Draw Jr., by requiring his wife, Monick Draw, to sign for the check, and by making the check payable to Mr. Draw Jr., and further

RESOLVED, that Mr. Draw withdrew the balance of his annuity funds in 2011 at which time he did not raise any issue with respect to the 2007 distribution. Retirement System benefits are contractual in nature and subject to a six (6) year statute of limitations. Accordingly, any claim he would have today for the 2007 distribution would be time barred by this six (6) year statute of limitations, and further

RESOLVED, that the Board has a fiduciary duty to only pay those benefits to which a Participant is entitled, no more, no less, and that Mr. Draw Jr. withdrew all the funds from his annuity savings account and is, thus, not entitled to any additional disbursements from the Retirement System, and further

RESOLVED, that the Board formally denies Mr. Freeman's demand for disbursement of additional funds to Mr. Draw Jr., and further

RESOLVED, that Mr. Draw Jr. may appeal this decision by submitting a formal appeal request, in writing, not less than 30 days from receipt of this resolution, and further

RESOLVED, that copies of this Resolution be sent to Mr. Freeman, attorney for Mr. Draw Jr.

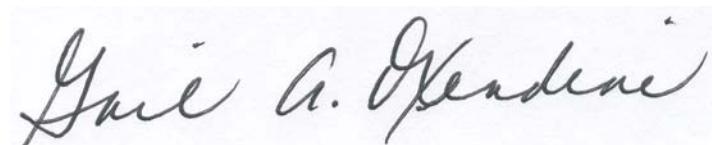
Yea: Benson, Cetlinski, Cowan, Hall-Wagner, Mclellan, Naglick, Perkins, Sheehan and Chairperson Nickleberry- 9

Nays: None

ADJOURNMENT

There being no further business before the Board, **Chairperson Nickleberry** adjourned the meeting at 12:25 p.m. The Board's next meeting is scheduled for **Wednesday, October 3rd, 2018**, at 10:00 a.m. in the Retirement System's Conference Room, 500 Woodward Avenue Suite 3000; Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,

A handwritten signature in black ink, appearing to read "Gail A. Oxendine".

GAIL A. OXENDINE, ASSISTANT EXECUTIVE DIRECTOR